



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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DEC 11 2009

Ref: 8ENF-AT

Robert L. Gronewold
Manager, Corporate Environmental Affairs
Tesoro Petroleum Companies, Inc.
3450 South 344th Way, Ste. 100
Auburn, WA 98001 – 5931

D. Jeffery Haffner, Esq.
Tesoro Petroleum Companies, Inc.
300 Concord Plaza Drive
San Antonio, TX 78216 – 6999

RE: United States v. BP Exploration & Oil Co. – Civil Action No. 2:96 CV 095 RL
Acid Gas Flaring Incident, on August 29, 2009, at the Mandan Refinery,
North Dakota

Dear Messrs. Gronewold and Haffner:

The United States Environmental Protection Agency (EPA) received reports, dated September 28, 2009 and November 10, 2009, detailing an acid gas flaring incident occurring on August 29, 2009 at the Tesoro Refinery in Mandan, North Dakota. The reports describe the incident, the root cause analysis, corrective actions, and grounds for stipulated penalties.

Tesoro reported the duration of the flaring incident was 72 minutes and resulted in the release of 0.28 tons of sulfur dioxide (SO₂) into the atmosphere. The primary and contributing causes of the incident were a crack extending almost half-way around an 8-inch diameter hot gas bypass pipe on the sulfur recovery unit. The crack produced a small fire which was extinguished in about 74 minutes. The crack was later determined to be caused from an improperly sized elbow resulting in excessive stress. To reduce the quantity of SO₂ emitted to the atmosphere, Tesoro started the Ammonium Sulfide Concentrate Unit as quickly as possible and diverted the acid gas stream. In addition, the distillate desulfurization unit was placed on recycle to reduce the sulfur production rate.

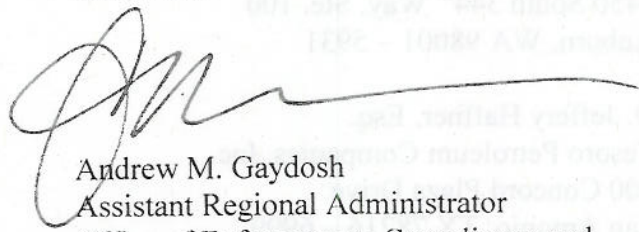
Corrective action included replacing the hot gas bypass elbow and modifying the piping configuration to eliminate the stress on the elbow and pipe. In addition, procedures were improved to ensure quicker start-up of the ammonium concentration unit.

Based on the information submitted in the report, EPA finds this flaring incident is not a malfunction and subject to the provisions of Paragraph 22.C.i.c.1.ii because it resulted from the first time occurrence of a root cause; therefore, the stipulated penalty provisions of Paragraph 47 do not apply to this flaring incident. Should this cause occur again, the resulting acid gas flaring incident will be considered a recurrence under Paragraph 22.C.i.c.2.

According to our records, this is the first acid gas incident in the last twelve months. The total number of acid gas flaring incidents is less than five in a rolling 12-month period.

Should you have any questions or if you wish to discuss this matter, please contact Mr. Scott Whitmore at (303) 312-6317 or email at Whitmore.Scott@epa.gov.

Sincerely,



Andrew M. Gaydos
Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

cc: John S. Berger, Manager, Mandan Refinery
Scott Whitmore, U.S. EPA, Region 8
Jim Semerad, Division of Air Quality, ND Dept. Health

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